

DEPARTMENT OF SOCIAL SERVICES
744 P Street, Sacramento, CA 95814

June 1, 1989

ALL COUNTY LETTER NO. 89-49

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: AFDC ZERO BASIC GRANTS VS. SUSPENSE

REFERENCE: MPP 44-315 AID PAYMENTS

This letter is intended to clarify the difference between Zero Basic Grants (ZBG) and suspense months in AFDC. It responds to a request from the Policy Subcommittee, Eligibility and Grants Committee, California Welfare Directors Association (CWDA) that we respond to the difficulties some counties are experiencing in correctly applying the rules regarding suspense and ZBG.

A ZBG should be applied to cases when net nonexempt income (NNI) falls between the Maximum Aid Payment (MAP) and Minimum Basic Standard of Adequate Care (MBSAC) for Assistance Units (AUs) of nine or ten. Also, ZBG is to be applied to cases in which the AU's NNI exceeds the MAP amount but is less than 185% (MPP 44-315.415). When it is anticipated that an AU will receive NNI in excess of MBSAC plus special needs on a continuing basis, the case should be discontinued.

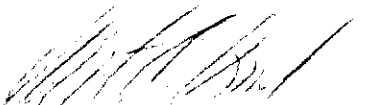
A suspense month is targeted to any case situation in retrospective budgeting in which ineligibility, for any reason, is found to exist in the budget month, but will last for only one month. When an AU receives gross income which results in ineligibility for only one month, then MPP Sections 44-207.221(c) and 44-315.6 apply. This results in a "suspense" month rather than a ZBG. The effect of suspending the case in the corresponding payment month is that of recouping the grant for the budget month when the AU was ineligible, prospectively, for aid. The rationale for suspense, is that AUs with income sometimes receive an extra paycheck in one month without the expectation that the extra income will continue. Rather than discontinue the case, and later restore it, the County Welfare Department (CWD) must suspend the case for one month. (Aid is discontinued when it appears that the AU's reported or anticipated gross income exceeds 185% of the combined value of the MBSAC plus special needs (MPP 44-207.21) and will continue at that level.)

After a suspense month, aid may be prospectively or retrospectively budgeted depending upon the AU's circumstances. If the AU's circumstances have not changed significantly from the corresponding budget month, the case would remain in retrospective budgeting (MPP 44-313.222 and 44-315.62). Prospective budgeting would be used if the AU's circumstances have changed significantly, e.g. an AU member lost his or her job, Unemployment Insurance Benefits (UIB), Disability Insurance Benefits (DIB), or workers compensation (MPP 44-313.123 and 44-315.63). Additionally, if the AU receives a Reduced Income Supplemental Payment (RISP) in a suspense month, the two months following the suspense month are prospectively budgeted (MPP 44-401.5 and 44-315.63).

If ineligibility occurs in either of the first two months of aid, while the case is in prospective budgeting, the case is not suspended, but should be discontinued. If the AU reapplies for aid and is determined eligible, there would still be a need for two eligible prospective months; therefore, a case of this type should not be restored and placed in retrospective budgeting.

Budgeting is not impacted by a ZBG month. Though the AU may not actually receive a grant in the payment month, the budgeting cycle is not broken. This is also the case when a RISP is issued in a ZBG month. Retrospective budgeting continues.

If you have questions about aid payments or budgeting, please contact Judy Moore at (916) 324-2017 or ATSS 454-2017.



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Deputy Director

cc: CWDA